

STERLING IN THE COMMONS CHANCELLOR'S RESERVE

DEBATE REFUSED

LONDON, Friday

Mr. Neville Chamberlain, Chancellor of the Exchequer, showed extreme reticence and gave no reassuring hints in reply to questions addressed to him in the House of Commons yesterday with regard to the pound sterling.

The Chancellor was questioned with regard to the high price of gold bullion, indicating a fall in the value of the paper pound. He was also asked whether the Government proposed to take any steps to arrest a further fall.

Mr. Chamberlain said that he was aware of the falling external value of sterling, which was of course a different thing from the internal purchasing power of the pound. With regard to the second part of the question, he could not undertake to publish such information for reasons of public policy.

No Stabilisation

On being asked further whether he could hold out any hope of early stabilisation of the pound, the Chancellor replied; «No, sir.»

Later the Speaker refused a motion for an adjournment in order to debate the question of the fall of the paper pound. He pointed out that the subject could be raised on Monday in the debate on the vote of account.

Mr. Chamberlain's refusal to reveal anything of the Government's intentions has caused considerable disappointment, as it had been hoped that he would definitely remove the impression that the Government welcomes

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SAAR TRANSFER POLICE HANDED OVER

SAARBRUECKEN, Friday

Herr Frick, Minister of the Interior of the Reich, was given a rousing welcome by the throng which filled the streets when he arrived here late yesterday afternoon. He is to represent the Government of the Reich in the ceremony of formally transferring the executive power in the Saar to Germany, which takes place today.

The administration of the police of the Saar was formally transferred to the German Government yesterday. It was considered expedient to let the German authorities assume the responsibility for handling the vast crowd of several hundred thousand visitors which is expected to jam the whole city today in order to celebrate the homecoming of the Saarland.

Mr. Geoffrey George Knox, President of the Governing Commission, surrendered the police power to Doctor Sassen, the representative of the Reich Government. The latter immediately appointed Storm Troop Leader Schmelcher to the post of Prefect of Police.

The Saar Committee of Three of the League of Nations arrived here yesterday afternoon, headed by Baron Aloisi, who was instrumental in bringing about the Franco-German agreement on the transfer of the Saar territory. They immediately went to Mr. Knox's office.

Mr. Knox informally handed over the government of the Saar to Baron Aloisi, who thanked the President on behalf of the League of Nations for the services he had rendered. Mr. Knox left shortly afterwards for London, while M. Heimbürger, the French member of the Governing Commission, left almost simultaneously for France.

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ITALO-ETHIOPIAN PARLEYS SETTLEMENT POSSIBLE

PRESS HOSTILE

ROME, Friday

The possibility of a peaceful settlement of the Italo-Ethiopian dispute is the subject of speculation here today.

It is reported from Djibouti, in French Somaliland, that the Ethiopian Government has paid an indemnity of 800,000 francs in respect of the incident at Dikkil, where a French official and a party of seventeen native militiamen were annihilated by Ethiopian border tribesmen. The liquidation of that incident is taken as a good omen for the success of the negotiations with Italy.

In London it is confidently expected that Italy and Ethiopia will shortly be in a position to settle their differences by diplomatic negotiation. The British representatives here and at Addis Abbaba are continuing to enjoin upon both powers the need for negotiations, as suggested by the League of Nations.

Appeal To Geneva?

A further appeal by Ethiopia to the League is considered almost certain in Geneva. The most discouraging aspect of the dispute however is the attitude taken by the press here.

The Italian papers completely ignore the endeavours of the Ethiopian Chargé d'Affaires at the Quirinal to arrive at a friendly settlement regarding the frontier incidents. No notice is taken, moreover, of the repeated assurances of friendly intentions given by the Government at Addis Abbaba.

The Italian answer to the latest Ethiopian proposals, which suggests the appointment of a court of arbitration, has not yet been made public. Strong reasons for believing that it will be in the negative are provided both by the attitude taken by the press and in Italian political circles, and by

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COURT MARTIAL

PORTSMOUTH, Friday

The third and last of the courts martial arising from the collision between H. M. S. Hood and H. M. S. Renown was concluded at Portsmouth yesterday when Captain Tower of the Hood was found not guilty of hazarding his ship.

On the previous day during the second of the courts martial Captain Henry Sawbridge of the Renown was found guilty of negligently and by default hazarding the ship of which he was in command and sentenced to be dismissed.

SIR JOHN IN PARIS INFORMAL TALKS WITH M. LAVAL

PARIS, Friday

Sir John Simon landed at Le Bourget at one o'clock yesterday. He lunched at the British Embassy with M. Laval, who was present as one of the guests. There was an exchange of opinions between the British and French foreign ministers about the conversations Sir John will shortly hold in Berlin with Herr Hitler.

Both on the British and French side this form for a first meeting was preferred because it lacked the appearance of formal negotiations. What passed between the two statesmen was not released to the press. It is known, however, that they see eye to eye in what should be said in Berlin.

In the evening Sir John was the guest of honour at a dinner given by the organiser of the conference, at which the British Minister spoke on the British constitution and the parliamentary regime. M. Flandin, the French premier, was present and the exchange of Franco-British views continued.

Prior to the dinner in the evening Sir John and M. Laval had a second talk during the afternoon. The entire matter of the Berlin visit was thus thrashed out to the satisfaction of all parties and in the least possible time.

The semi-official newspaper *Le Petit Parisien* declares that Sir John Simon will reach Berlin on March 6, and that he will be accompanied by Sir Robert Vansittart, who is a high official in the Foreign Office.

The stay in the German capital will last two or three days, according to advance plans, unless the conversations and negotiations prove particularly knotty and difficult, in which case they will be prolonged as long as necessary.

Some difficulty is expected since

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SIR J. SIMON A CHANCELLOR

PERSONAL TALKS PLANNED

BERLIN, Friday

REICH'S CLAIM

Herr Hitler, it is understood, will conduct personally and with the aid of an interpreter the conversations with Sir John Simon. The British Foreign Secretary is expected to arrive in Berlin next week.

The Chancellor is taking a more active and personal part in the preparations for the impending discussions, and is maintaining close touch with the responsible officials in the departments. No formal agenda has been drawn up for the talks.

The German attitude, it is said, will be urged upon Sir John Simon during the Anglo-German conversations, is that the British cannot be denied the right to possess bombing planes, and that the security of Germany demands that her ratio of military power to that of other nations be adequately increased. It is pointed out in that connection that official circles here that Russia has built the largest fleet in Europe.

Right Of Choice

Germany will also demand the right to choose her own method of military defence. That taken to mean that whatever restrictions may be placed on the total armaments of the world concerned by a future convention, the German Government will refuse to sign any agreement prohibiting the use of poison arms.

The ultimate object of the negotiations in which the British and German are the next stage

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6,000 TONS OF SMUGGLED TOBACCO

BERLIN, Friday

Six thousand tons of smuggled tobacco were the center of a trial for smuggling in Muenster in Westphalia yesterday, the accused having managed to cross the border with that amount without paying the huge requisite duties. The tobacco was smuggled over a period of time, and not all at once.

Fines amounting to thirty-five million marks together with sentences of imprisonment totalling forty years were demanded by the public prosecutor at the trial. Thirty-four persons, whose names and addresses were not made public, are involved in the accusations.

The public prosecutor asked that the five ringleaders be punished with particularly heavy fines

averaging three million marks each or given an option of a term of years of imprisonment in addition to the separate sentence of imprisonment for two years. They must also pay the duties evaded on the goods smuggled into Germany from Holland, of which the tobacco is only a part.

It seems likely that the punishment demanded will be meted out. In that case the prisoners, and especially the ringleaders, will remain in prison for a good part of the rest of their lives, and when they are released will be impoverished for the rest of their lives.

The demand for a fine of three million marks, with what is called an option of a term of imprisonment, amounts to a sentence in jail, since it is obviously impossible for each man to raise such a huge sum.

ITALIAN MEASURES AGAINST GERMAN

VIENNA, Friday

New repressive measures have been taken by the Italian authorities against the German-speaking population of the Southern Tyrol, according to press reports from Bozen just received here.

According to the report the Prefect of Bozen, acting with the approval of the authorities in Rome, has ordered the dissolution of all German Catholic journeymen's associations throughout the district.

The reason officially given is that the associations are receiving their orders from headquarters in Cologne in Germany. They had lately displayed activities which it is claimed were «incompatible with the national aim of penetrating the province with the Italian culture and language.»

Although it is not definitely

stated in the order or the reasons for it, it appears that the associations had displeased the authorities by organising and amateur theatrical performances in German in defiance of the local edict requiring the inhabitants to use the Italian language at all times.

Similar trouble was experienced in Memel some months ago when the German-speaking population refused to speak Polish in all official capacity. Bans on public or private meetings at which German were also placed by the Lithuanian authorities.

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THE WORLD WAITS

March 1 was a day which was awaited in Germany with the keenest interest and celebrated with the greatest joy. On that day, as all the world knew, Germany formally and officially took possession of the Saar territory which she had lost by the provisions of the Treaty of Versailles and regained by a popular plebiscite held last January.

Interest in the return of the Saar to the Reich is not only widespread in Germany. The whole of Europe is watching with concern. For the Saar, in Germany's hands once more, is another of the hot spots of Europe.

Germany's intense interest in having the Saar returned and her enormous campaign to achieve that purpose were motivated by something more than mere patriotism. The Saar is of the greatest value industrially, but is still more valuable as a centre for the making of war materials.

Under the terms of the Treaty of Versailles, Germany is strictly forbidden to rearm. But there are few today who do not know and will not admit that that is precisely what Germany has been and is doing, with a thoroughness and fervour characteristic of the race. Naturally, the Realmleader and all his underlings have been protesting vigorously that the Saar will not be used for any such purpose. But the diplomatic utterances for foreign publication of some, if not all, leaders of governments do not conform to their actions.

That Germany will use the Saar in violation of the Treaty of Versailles and in violation of the express reasons for Sir John Simon's trip around Europe and visit to Berlin cannot be doubted.

But the extent to which she will go, the force which she will be able to add to her war strength, is a question for conjecture. Since her action will be secret, no one say with any measure of effectiveness "Don't!" There is little to be done except to hope that she will not be the menace to peace which in many quarters it is expected she will become.

ON THE ISLAND

By The Wayfarer

Yesterday saw the arrival of the German liner, Usambara, bound for Lisbon, Southampton and Hamburg and the American Export liner Excambion arriving from New York City. The Henderson line's Amarapoor, eastward bound called in Palma Bay early yesterday morning.

DANCE:—

Mrs. Gladys Kidd will entertain friends tonight with a fancy dress dance. The affair, which will begin at ten, will be held in Mrs. Kidd's new home in the Pension Hiller.

CARNIVAL:—

The colourful carnival afternoon took place on Thursday on the Borne and the Rambla. The band was out as was the sun, and the customary parade of costumes was fully appreciated by those members of the foreign colony who appeared to witness the event.

TO MAINLAND:—

The Marques and Marquesa de los Alamos have returned to the mainland. The Marques is the

chief of the Obras Publicas for the Balearic Islands. During their stay here they were residents at the Hotel Victoria in El Terreno.

ARRIVALS:—

Some newcomers this week were the following: Señor José Puñet, a barrister from Reus; Miss Peggy Heskith, of Prenton, England, an arrival on the Marseilles boat; Miss Joan Besso, whose home is in Portingdale, and who came here from Marseilles; and Mr. and Mrs. Alfred Thompson of Stanhope, England. Mr. Thompson is an engineer. Mr. and Mrs. Thompson, who came on the Barcelona boat late this week, are stopping at the Hotel Victoria.

OFFICER:—

M. Rene Clause, a former prominent officer in the French army, is visiting the Island. Accompanied by Mme. Clause, he arrived in Palma from Barcelona a short time ago. M. and Mme. Clause are stopping in Son Alegre.

FROM CANADA:—

Recent arrivals from Montreal

include Mr. and Mrs. F. Napier Smith and Miss Constance Claire Smith. They arrived here via London and are stopping at the Hotel Royal.

Also stopping at the Royal is Mme. Camille Flessler of Zurich. She came to Mallorca from the mainland. Mr. and Mrs. N. Norman Hollisorow of Gloucester, and Mrs. Anne Jones of Edinburgh are staying at the Hotel Royal. They arrived some time ago from London.

HERE AND THERE:—

Mrs. Kate Chapman has gone to the Hotel Mediterraneo. She will spend a short holiday on the Island.

The party of gentlemen from Leeds, consisting of Mr. Joseph Batty, Mr. Roland Winder, and Mr. D'Arcy Perkins left for Barcelona on the Wednesday night mail steamer.

Sailing to Marseilles this week were Mr. and Mrs. J. Scott of Aberdeen, Scotland, and Miss C. Sandoniati of Naples.

Out Of My Head

by HARRY GALLAND

The story of the Czech burglary which was carried out a few days ago right next to the town police station was reported as a beautiful example of sheer impudence. But shucks, that ain't nothin'. I can do better than that myself—in the matter of stories of impudence, that is.

For instance, there is the authentic case of the red lamps and the Oxford student. It is recorded in my case book under the title «The Affair of the Artistic Student.»

There is a police station in the town of Oxford. It is much like any other police station the length and breadth of the British Isles, with a fat sergeant on duty at the desk inside and two red lamps with the word «POLICE» in white letters outside. It is open 24 hours a day.

One of those police lamps with the nice white lettering was found to be missing one night—a night which wasn't particularly dark and stormy. Nobody knew where or how it had disappeared. The fat sergeant grew apoplectic and as red as the remaining lamp, and the constables maintained a stolid silence. They didn't find out anything.

That was the state of affairs until a few nights later, when the missing lamp was replaced with a shiny new one. The next night it too disappeared, without a sight or a sound of the marauder.

The first lamp was taken by a student of Balliol, who thought he needed some decorations for his room. But it looked lonesome on one side of the mantelpiece, so he took the second to keep it company.

Then there was the time when the police of the town of Durham found a car belonging to a student of the University of North Carolina parked on the street after midnight, which was forbidden by town ordinance. They attached the police wrecking car to it to haul it away to the garage where it would await the appearance of the student and his payment of the fine.

But the student came upon his car while the cops were away for a moment getting a little nip of something warming, for it was a cold night. Sizing up the situation, the student climbed in his car after unlocking the brakes of the police car and drove away, hauling the wrecker behind him. He abandoned it on the edge of town, which was nice of him.

And there is the hawk which roosts under the top spire of the Woolworth building in New York and makes raids on the neighbouring birds of a pigeon-fancier. The hawk regularly takes his pigeons to the top of the cupola of the nearby Vesey St. police station, and there he sits down and calmly eats them. They're just amateurs in Czechoslovakia.

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GERMAN SHIP'S DANGER

EL FERROL, Friday

The German cargo steamer Europa, of 5,600 tons, has arrived here after a stormy passage from Tunis, during which she was in grave danger of foundering.

The vessel left the North African port on February 17 with a cargo of ore for Rotterdam. She ran into a violent storm off the coast of Portugal, which reached its height near Cape Villano.

Enormous waves swept over the deck as the Europa battled her way towards the Cape, and it seemed that she might sink at any moment. When she was about fifteen miles from the Cape she shipped a particularly heavy sea.

It carried away her funnel, four ventilators and the boats on the starboard side. The loss of the funnel caused the engine room to fill with smoke, and those below were in imminent danger of dying from suffocation.

The Europa then sent out several calls for help, which were answered by another German vessel, the Mosel. The latter stood by the Europa as far as the Sisarcas Islands, but the damaged ship was able to make port under her own power.

THEATRE GUIDE

TEATRO PRINCIPAL

A Certain Señor Grant
with
Jean Murat, Rosine Derain,
Olga Tschecowa

3:30 6:30 9:30

TEATRO LIRICO

Gran Compañía de Revistas
with
Margarita Carbajal
and the Palace Girls.
at 9:30

SALON RIALTO

Wonder Bar
with
Al Jolson - Kay Francis
Dolores del Rio - Dick Powell

3:30 6:30 9:30

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WORLD EVENTS IN BRIEF

LONDON, Friday

There were showers yesterday in London, with one and a half hours of sunshine, a minimum temperature of 40 and a maximum of 48.

LONDON, Friday

It is feared certain that the British steamer Blairgowrie has been lost in the Atlantic with her entire crew of twenty-six. After a prolonged search among mountainous seas the German liner Europa and other vessels which answered the distress signals of the Blairgowrie were forced to abandon hope yesterday, and resumed their voyages.

LONDON, Friday

A brighter tone prevails in the stock markets since yesterday. Business has been stimulated by

news of industrial progress. British funds showed renewed firmness on the basis of the latest revenue returns.

LONDON, Friday

The Marquis of Linlithgow, who was chairman of the committee on Indian constitutional reform, speaking at Edinburgh yesterday said that he saw no reason to suppose that the difficulty of the Indian princes could not be met without prejudice to the structure of the federal scheme as a whole.

He was fully confident that it would be found possible by an amendment and further explanations to remove the doubts and misapprehensions which the princes had expressed.

LONDON, Friday

The Prince of Wales reached

London last night on his return from his Continental holiday, looking fit and sunburned.

LONDON, Friday

The late Chairman of the Saar Governing Commission, Mr. Geoffrey Knox, has been promoted to be Knight Commander of the Order of Saint Michael and Saint George.

BRUSSELS, Friday

The conclusion of a trade agreement between the United States and Belgium is regarded as the first step by President Roosevelt towards a practical application of the policy of systematic lowering of tariff walls. It is thought it will serve as a model for trade accords which the United States hopes to reach with thirty other nations.

SIR J. SIMON AND CHANCELLOR

(Continued from page 2).

replace the military clauses of the Versailles treaty by an agreement in which Germany shall enter on equal terms with the other powers concerned. The acceptance of the principle of such a convention is considered a triumph for the German thesis of equality, but it is believed that the Government of the Reich will not be prepared to make many concessions for the purpose of establishing by treaty a condition which has long existed in fact.

FOREIGNERS' PARTY

A party will be given Saturday night at 9:30 by Don Francisco Romero, popular chief of detectives, at his apartment in the Hotel Majorica, to which the entire foreign colony is invited.

Since the party is intended to inaugurate the bullfighting season, a Spanish atmosphere will be given to the party by the provision of mantillas for the ladies attending. Don Francisco will probably give one of the exhibitions of cape and muleta handling for which he is famous.

CITY'S GIFT

MADRID, Saturday

The City of Tokio has decided, at the suggestion of the Japanese Ambassador here, to present 600 young cherry trees to the Cities of Madrid, Barcelona and San Sebastián, in order to symbolise the friendship between the Japanese and Spanish peoples and to encourage the development of the cordial relationship existing between them.

The trees presented to Barcelona will probably be planted in the Calle de Tokio, which was so named in honour of Prince Takamatsu of Japan when he visited that city in 1930.

STERLING IN THE COMMONS

(Continued from page 2).

the falling exchange in the hope of improvement in the export trades. That impression has been caused by the comparative inactivity of the Exchange Compensation Fund.

It is understood semi-officially that the Fund possesses ample resources with which to check the fluctuations of the market. That fact is regarded as a proof of the Government's intentions in some circles, while others, more optimistic, emphasise that the Government can check the downward movement as soon as it threatens to become dangerous, and will certainly do so.

SAAR TRANSFER

(Continued from page 2).

Baron Aloisi is to attend to today's formalities on behalf of the League of Nations. The members of the Governing Commission, whose efforts to hold an even balance between the warring parties in the Saar have not made them popular with the hotheads of either side, will not be present.

The Saarbruecken city council yesterday held its last meeting under the League administration. The opposition councillors showed their appreciation of the changed situation by not being present.

Herr Neikes, the Burgomaster, admitted in a speech to the council that the transitional year 1935 would probably bring many difficulties. He stated however that the Government of the Reich has already drawn up an extensive economic programme for the Saar, by means of which it is hoped to reduce the number of unemployed by at least one-third in the course of a few months.

ITALO-ETHIOPIAN PARLEYS

(Continued from page 2).

the continued transport of troops to East Africa.

Crowds of volunteers for service with the Expeditionary Force in Africa continue to pour in. The applications from the members of the storm divisions of the *Arditi* are especially numerous.

The steamer Leonardo da Vinci, which left Messina on Wednesday, carried 100 officers, 1,200 soldiers in colonial uniforms, 300 skilled mechanics and a great quantity of war material. The motor vessel Arabia left Messina with a vast number of automobiles and a quantity of other war material, and the first contingent of the Second Florentine Division arrived at Naples.

SIR JOHN IN PARIS

(Continued from page 2).

ce Herr Hitler has already let it be emphatically known that he will submit or agree to nothing unless Germany's demands for equal armaments are met at once. It is doubtful if Great Britain and France will make that concession.

SOUTHAMPTON HIGHWAY

By United Press

LONDON.—Highway construction in Britain this year, it is announced, will include the completion of a broad road running from London southwestward to Southampton.

In a sense, the road already in existence, but the problem—almost everywhere in old settled Britain—is to provide swift by-passes around the old towns whose narrow, picturesque streets bottle up the through traffic as effectively as toll-gates. But these by-passes are expensive. On the seven under construction, or completed on this London-Southampton highway, total expenditures will be around \$7,500,000.

On this road work now is beginning on a by-pass 7½ miles long around the beautiful old cathedral town of Winchester. Most of the way it will be 80 feet wide and will have one novel feature—it will be divided down the center into two roads, so that southbound and northbound traffic will have to keep each to its own channel. Engineers have urged this, and the authorities are giving it a trial.

But this detour illustrates what the authorities have to contend with, for it will involve moving a railroad about 1,000 yards, the building of a new railway bridge and the widening of four others. Total expenditures will be about \$1,000,000.

And one curious thing is that when the by-pass is completed and this through traffic goes around the town instead of passing through it, the local shopkeepers will increase their sales. This has been the universal experience—that by-passes which divert the through traffic from a town increase immediately their sales in local trade.

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